



SIoux FALLS AREA  
CHAMBER OF COMMERCE

*Progress is everyone's business*

## **Cap & Trade Position Paper**

**Approved by Issues Management Council: 1.14.10**

**Approved by Executive Committee: 1.25.10**

**Approved by Board of Directors: 1.27.10**

The Waxman-Markey Bill, otherwise called “Cap and Trade,” is a 1,427 page bill that would restrict greenhouse gas emissions from industry, mainly carbon dioxide (Co2) from the combustion of coal, oil and natural gas.

The EPA-proposed “Tailoring Rule” appears to be an attempt to do by administrative means what cannot and should not be done by Congress.

The Waxman Bill would limit greenhouse gas emissions by instituting a declining cap on allowable emissions. Electricity producers, petroleum refineries and natural gas distributors would be required to obtain permits called “allowances” from the federal government for every ton of Co2 they produce.

Since under the bill the government would issue fewer and fewer allowances each subsequent year, the allowance price would rise to meet the demand. The price increases would be passed on to consumers. The result will be a huge tax increase. The tax will be particularly onerous on states like South Dakota that depend on coal, oil and natural gas. States like South Dakota that have cold winters will suffer greater burdens than southern states and states that do not use as much carbon-based fuel.

There are disputes about how much fuel prices will increase and also about what, if any, reduction in Co2 emissions will result and further whether these reductions will be worth the expense. The Chamber takes the position that the cost of the bill will harm business development in South Dakota, drive up heating and other energy costs to all residents including the poor, and result in a substantial loss of jobs with no proven equivalent benefits.

There are questions about the use of the potentially trillions of dollars resulting from the tax. The Midwest may end up paying substantially more than other parts of the country, again with little or no substantial benefit even to the environment.

The EPA regulations will also produce a negative impact. The EPA rules appear to have a similar detrimental impact on economic growth. The Chamber agrees with the U.S. Chamber of Commerce statement that the EPA “endangerment finding” could result in a top-down command

and control regime that will choke off growth by adding new mandates to virtually every major construction and renovation project. The rules will likely touch even small business at a time when the economy is already suffering with little showing that the actions taken will combat climate change. The rules will result in making American business less competitive in global trade.

**Therefore, the Sioux Falls Area Chamber of Commerce Board of Directors instructs staff to communicate to the South Dakota Congressional delegation the Chamber's objection to the Waxman-Markley Bill as presently written and the Board requests that South Dakota Congressional delegation oppose the bill. Further, the Board instructs the staff to communicate its objection to the "EPA Tailoring" rules to the South Dakota Congressional delegation and communicate the Board's request that the delegation oppose the EPA Rules.**